



News Release

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USDA Cuts Red Tape to Increase Private Investment in Rural America

Department Invites Comment on Regulation Streamlining Through OneRD Guarantee Loan Initiative

WASHINGTON, July 13, 2020 – U.S. Secretary of Agriculture Sonny Perdue today announced that the United States Department of Agriculture (USDA) is taking steps to increase private investment in rural communities across the country by making it easier for lenders to access four flagship loan programs.

“Under the leadership of President Trump, USDA is committed to cutting red tape and enhancing customer service so we can be a better partner to America’s rural leaders in building prosperity,” Secretary Perdue said. “These enhancements will make it easier for private lenders to use USDA programs to invest in rural businesses and grassroots rural economic development efforts.”

USDA is seeking public comment on a series of regulatory reforms known collectively as the OneRD Guarantee Loan Initiative. Under the initiative, USDA will eliminate duplicative processes and launch a single platform for four key loan programs:

- [Water and Waste Disposal Loan Guarantees Program](#);
- [Community Facilities Guaranteed Loan Program](#);
- [Business and Industry Guaranteed Loan Program](#); and
- [Rural Energy for America Guaranteed Loan Program](#).

USDA also will standardize requirements for credit reviews, loan processing, loan servicing and loss claims. These measures will make the application process simpler and faster for lenders. Among the reforms, USDA intends to:

- Launch a common loan note guarantee application and consistent forms for lenders to use across the four programs;
- Issue loan note guarantees to lenders within 48 hours after they provide documentation to prove the requirements of the conditional commitment have been met;
- Provide guarantee percentage and fee requirements to lenders through a single annual notice at the beginning of each fiscal year;
- Allow lenders to obtain approval for a loan guarantee prior to the beginning of construction projects. A one-time fee and other requirements may apply; and

- Provide automatic approval to lenders in good standing who are supervised or created by state or federal regulatory agencies to participate in all four programs. This expands the base of eligible lenders for the four guaranteed loan programs. Non-regulated lenders may seek approval to participate through a single certification process that will be valid for five years.

USDA plans to conduct a series of listening sessions this summer on the proposed changes. For more information on how to register, visit: www.rd.usda.gov/onerdguarantee.

The changes will take effect on Oct. 1, 2020. Additional information is available in the July 13, 2020, [Federal Register](#).

Interested parties may join the [OneRD Guarantee Loan Initiative subscription list](#) to receive updates from USDA on this regulatory change.

In April 2017, President Donald J. Trump established the [Interagency Task Force on Agriculture and Rural Prosperity](#) to identify legislative, regulatory and policy changes that could promote agriculture and prosperity in rural communities. In January 2018, Secretary Perdue presented the Task Force's findings to President Trump. These findings included 31 recommendations to align the federal government with state, local and tribal governments to take advantage of opportunities that exist in rural America. To view the report in its entirety, please view the [Report to the President of the United States from the Task Force on Agriculture and Rural Prosperity](#) (PDF, 5.4 MB).

USDA Rural Development provides loans and grants to help expand economic opportunities and create jobs in rural areas. This assistance supports infrastructure improvements; business development; housing; community facilities such as schools, public safety and health care; and high-speed internet access in rural areas. For more information, visit www.rd.usda.gov.

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